

Message Text

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ACTION EUR-12

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E.O. 11652: N/A

TAGS: ELAB, GR

SUBJECT: ITT HELLAS' LABOR PROBLEMS

1. SUMMARY: IN ADDITION TO FINANCIAL TROUBLES BRIEFLY COVERED BELOW, ITT HELLAS' EQUIPMENT PLANT IS FACED WITH SEVERE LABOR PROBLEMS.

2. ITT GREEK SUBSIDIARY, ITT HELLAS, HAS TWO OPERATIONS IN GREECE: (1) A PLANT PUBLISHING THE ADVERTISING SECTION OF THE TELEPHONE BOOK; (2) A PLANT ASSEMBLING TELEPHONE SETS AND EXCHANGE EQUIPMENT, THE KITS FOR WHICH ARE SUPPLIED BY ITT FRANCE. BOTH ARE IN FINANCIAL DIFFICULTIES, THE FIRST BECAUSE OF INCREASED PRODUCTION COSTS, AND THE SECOND BECAUSE OTE (GREEK TELECOMMUNICATIONS ORGANIZATION) HAS REQUIRED CUTBACK IN PRODUCTION, AS AUSTERITY MEASURE.

3. ITT'S EQUIPMENT PLANT HAS ALSO BEEN AFFLICTED WITH SEVERE LABOR PROBLEMS DURING LAST SIX WEEKS WHICH LOCAL MANAGEMENT FEELS THREATENS VIABILITY OF OPERATION. LABOR FORCE STRUCK SIX WEEKS AGO OVER PAY RAISE. ITT OFFERED 23 PERCENT RISE; UNION DEMANDED 41 PERCENT. DISPUTE WENT TO GOG ARBITRATION TRIBUNAL ON MAY 12.

4. SINCE WORKERS CANNOT LEGALLY STRIKE WHILE DISPUTE BEFORE
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TRIBUNAL, THEY RETURNED TO WORK, BUT - ACCORDING TO ITT

MANAGEMENT - CONTINUED DISRUPTIVE ACTIVITIES IN PLANT,
INCLUDING THREATS TO AND HARASSMENT OF NON-STRIKERS, MOSTLY
SUPERVISORY AND ADMINISTRATIVE PERSONNEL.

5. WHEN ITT TERMINATED THREE WORKERS FOR HARASSMENT AND
INSUBORDINATION MAY 19, UNION WENT ON TWO HOUR WORK STOPPAGE.
ITT RESPONDED BY CLAIMING WORKERS HAD BROKEN TERMS OF CONTRACT
(BY STRIKING DURING ARBITRATION HEARING) AND CLOSED FACTORY.
ITT MANAGEMENT NOW CONTEMPLATING NEXT MOVE, WHETHER TO SEND
LETTERS TO EACH WORKER CONFIRMING HIS ALLEGED SELF-
TERMINATION OF EMPLOYMENT THROUGH BREACH OF CONTRACT, OR TO SEEK
ADDITIONAL CONCILIATION THROUGH THE LABOR MINISTRY. MEANWHILE,
WORK FORCE, LED BY 30-40 MILITANTS (ITT ESTIMATES) HAS PRESENTED
ITSELF AT FACTORY GATES, "READY TO WORK". ITT TELLS US IT IS WILLING
TAKE BACK MOST WORKERS, BUT NOT THE STRIKE LEADERS.

6. WHEN TERENCE CALLAGHAN, ITT MANAGING DIRECTOR MET ALTERNATE
COORDINATION MINISTER JOHN BOUTOS, MAY 19 TO REQUEST
ASSISTANCE IN RESOLVING LABOR DISPUTE, BOUTOS GAVE SYMPATHETIC
RESPONSE. HE NOTED THAT ITT'S WAGE OFFER - WHICH LABOR MINISTRY
HAD UNSUCCESSFULLY PRESENTED TO UNION - EXCEEDED GOG INCOMES/PRICES
COMMITTEE GUIDELINES. BOUTOS WAS ALSO DISTURBED BY LABOR MINISTRY
RELUCTANCE TO ASSIST IN DEFUSING DISPUTE AND ENFORCING LABOR
PEACE DURING ARBITRATION HEARING. HE PROMISED ASSISTANCE AS
POSSIBLE, BUT POINTED TO HIS MINISTRY'S COORDINATIVE FUNCTION
AS POSSIBLE LIMITING FACTOR.

7. ITT MANAGEMENT WILL BRIEF AMBASSADOR MAY 21.
WITH FACTORY CLOSED, HOPEFULLY THE AIR MAY COOL SOMEWHAT,
AND WITH EAR OF BOUTOS, ITT HAS ATTENTION OF THIRD RANKING
CABINET MINISTER. EMBASSY WILL REPORT FURTHER
DEVELOPMENTS.
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